



Achim Szepanski
DIE EKSTASE DER SPEKULATION
Kapitalismus im Zeitalter der Katastrophe



REVIEW #776: ACHIM SZEPAŃSKI – THE ECSTASY OF SPECULATION (SB)

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Von [Achim Szepanski](#)

ACHIM SZEPAŃSKI THE ECSTASY OF SPECULATION CAPITALISM IN THE AGE OF CATASTROPHE

To the best of our knowledge, no one has ever escaped. When viewed dispassionately, human history could be seen as a flawed design, ultimately proving to be a failure. This is not solely measured by the impending final outcome, as it merely accentuates what has been deeply ingrained in this evolutionary path for countless ages. In the metabolic compulsion to assert one's own existence through the incessant consumption of others, progress and cultural achievement are characterized by the innovative perfection of this predatory relationship, all the while glorifying it as a seemingly promising escape. Hence, when we speak today of numerous crises descending upon us, this classification is, in fact, an outrageously optimistic reassurance. This terminology presupposes a functioning and acceptable normal operation of societal conditions that merely need to be kept free from disruptions. However, if one concludes that unrelieved pain has always been the only constant in this construct of reality, there is nothing worth salvaging, and everything should be decisively rejected.

To fantasize in the monster's mouth that we are not doing so poorly is only possible due to a survival instinct that thrives on the subjugation, exploitation, and destruction of others. It is only when the fate of others reaches those realms

that ride on the shoulders of the damned and feel invulnerable there that awareness begins to spread and the perennial state of life-crushing crises is realized. With this assumption in mind, Achim Szepanski presents compelling reasons for referring to the “poly-crisis” and speaking of capitalism in the age of catastrophe. On the one hand, the blows of devastating disruptions come at an increasingly rapid pace and with unprecedented force. On the other hand, there is a growing overlap of escalating crises in different fields, mutually reinforcing each other.

The author does not make it easy for his readers to follow his explanations. Drawing on advanced research on capital movements and a rich foundation of sources, he vigorously confronts his subject, which is nothing less than the fabric of the global fate. He delves deep into the labyrinths of economic processes, leaving no stone unturned in their complex developments and ramifications. He grapples with his opponent, expressing competing views and potential doubts while not shying away from contradictions. Those willing to put in the effort to join this fast-paced journey will find themselves in a multifaceted discourse, expertly moderated and progressively developed by Szepanski. The demand to understand this challenging material aligns with the author’s relentless search for clues. Taking the easy path and understanding everything at first glance would mean giving up on a proper and potentially fruitful understanding of the conflagration of capitalist escalation. Deciphering it is crucial, especially when contemporary societal conflicts alternately hold an anti-capitalist attitude or dismiss it as anachronistic, while on both sides, fetishism dwindles into meaningless arbitrariness.

The use of “The Ecstasy of Speculation” in the book’s title testifies to an approach that attempts to extract an identifying approximation from the absurdity of capitalist alienation and consumption. To address it in a way that doesn’t

capitulate to its monstrosity and flee to the supposed safe haven of consensual certainties or the manufacturing of model-driven acts of escapism. A brief description of the book not only outlines essential thematic statements but also reflects the linguistic tone:

More speculative than speculative, that is the ecstasy of speculative capital. A look at Baudrillard reveals speculation as the mode of a dizzying multiplication of capital, as a transfinite pornography of money that totalitarly seizes us. A weightless financial capital is on the horizon, circulating at the speed of light in an orbital motion.

With Marx in mind, it must be noted that such annihilation of times and spaces unleashes asynchronies that are still located within the context of the internal limits of capital. Financial markets must continually test real economies, so one cannot speak of an absolute detachment of financial capital from industrial capital.

The globe mutates into a networked and continuously open financial, trading, shopping, and production center, with an abundance of derivatives, products, goods, and information (and garbage). The prefix “over” reigns supreme: overspeculation, overaccumulation, overindebtedness, and overpollution. It is speculative capitalization that, inseparably linked to the rise of networked computers, has led to excess in the form of excessive capital, but also an excess of images and signs that neutralize all historical meaning and exercise white censorship through excess.

The author speaks of an economy filled with an increasing number of promises of future payments, which may never actually be fulfilled. It is, therefore, a grotesquely inflated economy that will not be able to unload the excess and waste

it has accumulated. The resulting economic, social, and geopolitical tensions and conflicts point to a catastrophic capitalism. Think of global financial capital and its bubble formations (promoted and regulated by central banks), debt, inflation, the smoldering conflict between the United States and China, tendencies toward increasing fascism, or the climate crisis. Boundaries are breaking everywhere: pandemic outbreaks, fires, floods, superstorms, droughts, and heatwaves signify today's global warming as a "wild ecology." The globe has long become a hot dumpsite for production facilities and hypermarket consumption processors.

Szepanski does not restrict himself to a narrow focus on economic aspects. While he meticulously examines speculative capital, derivatives, the shareholder concept, new asset managers, leverage power, financial infrastructure, stagflation, and their relevance in light of current developments, he also delves into the relationship between the state and financial power, central banks as crisis actors, imperialist encroachment, the capitalization of nature, fossil capital in the Capitalocene, and surplus populations. Thus, he addresses a range of topics and questions that should be of particular interest in the spectrum of efforts that can be considered, at least in principle, as critical of capitalism. He does not turn his back on Marx, nor does he harangue a codified doctrine that rigidly dismisses everything that follows the master, branding it indiscriminately as post-structuralism or even bourgeois-reactionary backlash from the field.

To illustrate what Szepanski conveys with a phrase like "materialized ecstasies of the high-frequency," let's take a brief look at the high-frequency trading money robots he describes, which now dominate automation in financial markets. Complex algorithms analyze and process data at an enormous speed, with the ability to learn using feedback processes to generate new outputs. Currently, about 90 percent of all financial transactions on the markets are executed by money robots. At the German stock exchange, about 0.6 milliseconds elapse

between the “customer decision” and the confirmation of the completed trade. These ultra-fast information processes are no longer visible to the human eye. Even when time is slowed down by a factor of 40,000 on a real-time trading graph, the transactions are still difficult to follow. And this only applies to the trade of a single stock.

Meanwhile, for example, the high-frequency trader “Virtu Financial” operates at 235 different trading venues in 36 countries around the clock, using approximately 12,000 different financial instruments, which flood the global computer exchanges with orders continuously. However, not only has the speed dramatically increased, but the number of orders has also multiplied. Ten years ago, there were only seventy orders that a trader sent to a single exchange daily, but today there are a million orders at five different trading venues. The needs of the real economy do not play a role in this. The motto is to buy quickly and sell immediately. The average holding time for stocks in 1980 was nearly ten years, in the year 2000 it was still six months, and in 2013, it was only 23 seconds.

This regime of complex algorithms serves the purpose of generating substantial profits by means of a multitude of small gains and exerting power in the financial field. The technologically supported access to liquidity, which is unequally distributed across the globe, is determined by superior speeds. The money robots employ four different strategies: firstly, they ensure a liquid trade on financial markets through the enormous volume of buy and sell orders, earning profits from price differentials and exchange commissions. Secondly, they take advantage of the fact that a stock may have different prices on two or more exchange platforms and buy on one to immediately sell on another at a higher price. Thirdly, they capture relevant external information that affects financial market prices and attempt to react faster than the competition. Fourthly, they identify financially strong buyers and purchase the sought-after stocks themselves, subsequently

reselling them at a higher price to the original buyers. Various other manipulation techniques are added to drive market prices in a desired direction in the short term.

Naturally, one could argue that machines are ultimately selling to other machines, but they are merely continuing what human traders would do, albeit at much higher speed and thus efficiency. There are no fundamentally different issues than everywhere else in the use of innovative technology in a profit-driven economy. However, this argument disregards the question of who must bear the cost of these excessively increased profits, which are inevitably obtained at the expense of other actors. Moreover, the associated ideology of mutually restraining market forces, leveling out extreme fluctuations in competition and thus preventing a collapse of the entire system, can also be empirically debunked in this specific field. For example, during the Greek debt crisis, it became evident that the high price fluctuations of derivatives in financial markets led to increased buying and selling decisions. The increased trading volume and substantial price differentials between buying and selling resulted in higher profits, ultimately borne by savers, pension investors, and insurance policyholders.

As the money robots both react to and trigger price fluctuations, their significant involvement in intensifying crisis processes cannot be completely ruled out. This is not solely due to their tremendous speed but also because of their global interconnectedness, enabling local disturbances to immediately escalate into a global event. As empirical findings show, even the smallest signals in the news can indicate an impending price drop to the algorithms of high-frequency traders, leading to a flood of automated sell orders triggered within a very short time, resulting in an extreme price collapse. For the money robots, crises are, therefore, welcome opportunities to increase their profits. In this context, Szepanski speaks

of a rapid pace at the milli- or even nanosecond level, often promising a journey into the unknown.

However, this is just one of many excessive processes of capital-driven devouring that the author addresses, without, however, deriving the inevitable collapse of the system from a one-dimensional theory of crisis. While it can be proven that the overall profit rate is decreasing, which stood at 19.3 percent in the 1950s and 1960s but fell to an average of 15.4 percent in the 1970s, only to rise again to 16.2 percent during the neoliberal boom of the 1990s. Nevertheless, in the two decades of this century, the average rate has fallen to a historical low of only 14.3 percent. At the same time, debt has reached a new high. Worldwide total debt of governments, companies, and households has risen to around 307 trillion dollars, equivalent to 336 percent of the global GDP. The World Bank estimates that 60 percent of low-income countries are highly indebted and face a high risk of debt issues, while many middle-income countries also struggle with significant fiscal problems.

However, Szepanski warns against assuming that the end of capitalism through explosion or implosion is already in sight. It is far from certain that the system cannot continue to push its internal boundaries. In the past, this has repeatedly been the case when it was necessary to break through blockades violently and open up new fields for the valorization regime. The war machines of capital, which the author speaks of, are constantly advancing and do not cease fire. While the capitalism we know may possibly be nearing its end, this does not apply to the persistence of the power relations with hitherto unprecedented means. For those who have come to the conviction that this system must be abolished, it is certainly advisable to study the overwhelmingly powerful adversary in depth, even if this endeavor sometimes seems akin to stepping confidently in quicksand.

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